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HOUSE BILL 684

**49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009**

INTRODUCED BY

Andrew J. Barreras

AN ACT

RELATING TO PUBLIC EMPLOYEES; AMENDING THE PUBLIC EMPLOYEES  
RETIREMENT ACT TO ALLOW PURCHASE OF SERVICE CREDIT BY FORMER  
NEW MEXICO CONGRESSIONAL EMPLOYEES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 10-11-7 NMSA 1978 (being Laws 1987,  
Chapter 253, Section 7, as amended) is amended to read:

"10-11-7. CREDITED SERVICE--PURCHASE OF SERVICE.--

A. A member who entered a uniformed service of the  
United States may purchase service credit for periods of active  
duty in the uniformed services subject to the following  
conditions:

(1) the member pays the association the  
purchase cost determined according to Subsection E of this  
section;

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1 (2) the member has five or more years of  
2 service credit acquired as a result of personal service  
3 rendered in the employ of an affiliated public employer;

4 (3) the aggregate amount of service credit  
5 purchased pursuant to this subsection does not exceed five  
6 years reduced by any period of service credit acquired for  
7 military service pursuant to any other provision of the Public  
8 Employees Retirement Act;

9 (4) service credit may not be purchased for  
10 periods of service in the uniformed services that are used to  
11 obtain or increase a benefit from another retirement program;  
12 and

13 (5) the member must not have received a  
14 discharge or separation from uniformed service under other than  
15 honorable conditions.

16 B. A member who was a civilian prisoner of war  
17 captured while in service to the United States as an employee  
18 of the federal government or as an employee of a contractor  
19 with the federal government may purchase service credit for the  
20 period of internment as a civilian prisoner of war, provided  
21 that:

22 (1) the member provides proof of employment  
23 with the federal government or as a contractor to the federal  
24 government in a form acceptable to the association;

25 (2) the member provides proof of the period of

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1 internment in a form acceptable to the association;

2 (3) the member has at least five years of  
3 service credit acquired as a result of personal service  
4 rendered in the employ of an affiliated public employer;

5 (4) the aggregate amount of service credit  
6 purchased pursuant to this subsection does not exceed five  
7 years reduced by any period of service credit acquired for  
8 military service pursuant to any other provision of the Public  
9 Employees Retirement Act;

10 (5) service credit may not be purchased for  
11 periods of service in internment as a civilian prisoner of war  
12 if such periods are used to obtain or increase a benefit from  
13 another retirement program; and

14 (6) the member pays the association the  
15 purchase cost determined according to Subsection E of this  
16 section.

17 C. A member who was employed by a utility company,  
18 library, museum, transit company or nonprofit organization  
19 administering federally funded public service programs, which  
20 utility company, library, museum, transit company or nonprofit  
21 organization administering federally funded public service  
22 programs or federally funded public service programs  
23 administered by a nonprofit organization are subsequently taken  
24 over by an affiliated public employer, or a member who was  
25 employed by an entity created pursuant to a joint powers

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1 agreement between two or more affiliated public employers for  
2 the purpose of administering or providing drug or alcohol  
3 addiction treatment services irrespective of whether the entity  
4 is subsequently taken over by an affiliated public employer,  
5 may purchase credited service for the period of employment  
6 subject to the following conditions:

7 (1) the member pays the association the  
8 purchase cost determined according to Subsection E of this  
9 section;

10 (2) the member has five or more years of  
11 credited service acquired as a result of personal service  
12 rendered in the employ of an affiliated public employer; and

13 (3) the aggregate amount of credited service  
14 purchased pursuant to this subsection does not exceed five  
15 years.

16 D. A member who was appointed to participate in a  
17 cooperative work study training program established jointly by  
18 a state agency and a state post-secondary educational  
19 institution may purchase credited service for the period of  
20 participation subject to the following conditions:

21 (1) the member pays the association the full  
22 actuarial present value of the amount of the increase in the  
23 employee's pension as a consequence of the purchase as  
24 determined by the association;

25 (2) the member pays the full cost of the

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1 purchase within sixty days of the date the member is informed  
2 of the amount of the payment;

3 (3) the member has five or more years of  
4 credited service acquired as a result of personal service  
5 rendered in the employ of an affiliated public employer; and

6 (4) the aggregate amount of credited service  
7 purchased pursuant to this subsection does not exceed five  
8 years.

9 E. Except for service to be used under a state  
10 legislator coverage plan, the purchase cost for each month of  
11 credited service purchased pursuant to the provisions of this  
12 section is equal to the member's final average salary  
13 multiplied by the sum of the member contribution rate and  
14 employer contribution rate, determined in accordance with the  
15 coverage plan applicable to the member at the time of the  
16 written election to purchase. The purchase cost for each year  
17 of credited service to be used under a state legislator  
18 coverage plan is equal to three times the normal member  
19 contribution per year of credited service under the state  
20 legislator coverage plan applicable to the member. Full  
21 payment shall be made in a single lump sum within sixty days of  
22 the date the member is informed of the amount of the payment.  
23 The portion of the purchase cost derived from the employer  
24 contribution rate shall be credited to the employer's  
25 accumulation fund and shall not be paid out of the association

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1 in the event of cessation of membership. In no case shall a  
2 member be credited with a month of service for less than the  
3 purchase cost as defined in this section.

4 F. A member shall be refunded, upon written request  
5 filed with the association, the portion of the purchase cost of  
6 credited service purchased pursuant to this section that the  
7 association determines to have been unnecessary to provide the  
8 member with the maximum pension applicable to the member. The  
9 association shall not pay interest on the portion of the  
10 purchase cost refunded to the member.

11 G. A member of the magistrate retirement system who  
12 during the member's service as a magistrate was eligible to  
13 become a member of the public employees retirement system and  
14 elected not to become a member of that system may purchase  
15 service credit pursuant to the public employees retirement  
16 system for the period for which the magistrate elected not to  
17 become a public employees retirement system member by paying  
18 the amount of the increase in the actuarial present value of  
19 the magistrate pension as a consequence of the purchase as  
20 determined by the association. Full payment shall be made in a  
21 single lump-sum amount in accordance with procedures  
22 established by the retirement board. Except as provided in  
23 Subsection F of this section, seventy-five percent of the  
24 purchase cost shall be considered to be employer contributions  
25 and shall not be refunded to the member in the event of

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1 cessation of membership.

2 H. At any time prior to retirement, any member may  
3 purchase service credit in monthly increments, subject to the  
4 following conditions:

5 (1) the member has at least five years of  
6 service credit acquired as a result of personal service  
7 rendered in the employ of an affiliated public employer;

8 (2) the aggregate amount of service credit  
9 purchased pursuant to this subsection does not exceed one  
10 year;

11 (3) the member pays full actuarial present  
12 value of the amount of the increase in the employee's pension  
13 as a consequence of the purchase as determined by the  
14 association;

15 (4) the member pays the full cost of the  
16 purchase within sixty days of the date the member is informed  
17 of the amount of the payment; and

18 (5) the purchase of service under this  
19 subsection cannot be used to determine the final average salary  
20 or the pension factor or be used to exceed the pension maximum.

21 I. A member who was employed by the government of  
22 the United States, as an employee of an elected member of the  
23 United States house of representatives representing New Mexico  
24 or an employee of an elected member of the United States senate  
25 representing New Mexico, may purchase service credit for that

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1 period of employment subject to the following conditions:

2 (1) the member pays the association the full  
3 actuarial present value of the amount of the increase in the  
4 member's pension as a consequence of the purchase, as  
5 determined by the association;

6 (2) the member has five or more years of  
7 service credit acquired as a result of personal service  
8 rendered in the employ of an affiliated public employer;

9 (3) the aggregate amount of service credit  
10 purchased pursuant to this subsection does not exceed five  
11 years; and

12 (4) the member has not qualified for vesting  
13 in a federal government pension."

14 Section 2. EFFECTIVE DATE.--The effective date of the  
15 provisions of this act is July 1, 2009.

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